

Regular Session, 2012

HOUSE BILL NO. 754

BY REPRESENTATIVE ROBIDEAUX

TAX/TAX REBATES: Authorizes state sales and use tax rebate contracts for certain businesses

1 AN ACT

2 To enact Chapter 3 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 47:6301, relative to rebates; to authorize contracts for certain
4 sales and use tax rebates; to provide for definitions, requirements, and limitations;
5 to provide for the amount, approval, and issuance of rebates; to authorize the
6 promulgation of rules and regulations; to provide for an effective date; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 3 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of
10 1950, comprised of R.S. 47:6301, is hereby enacted to read as follows:

11 §6301. Rebates; contracts for certain sales and use tax rebates

12 A. Definitions. For purposes of this Section, the following words shall have
13 the following meanings unless the context clearly indicates otherwise:

14 (1) "Department" shall mean the Department of Revenue.

15 (2) "New taxable sales" shall mean the sale of goods and services upon
16 which tax is paid under Title 47 of the Louisiana Revised Statutes of 1950 and which
17 occur in the state as a result of the operation in the state of a procurement processing
18 company.

19 (3) "Procurement processing company" means a company engaged in
20 managing the activities of unrelated purchasing companies.

1 (4) "Purchasing company" means a company engaged in the activity of
2 selling property and services to affiliated entities.

3 (5) "Secretary" shall mean the secretary of the Department of Revenue.

4 B. Contract. The secretary of the Department of Economic Development is
5 authorized to enter into a contract with a procurement processing company to recruit
6 to Louisiana, purchasing companies that generate sales of items subject to the taxes
7 imposed under this Title. The contract shall be determined by the governor to be in
8 the best interest of the state. The initial term of a contract shall not exceed twenty
9 years. The contract shall provide an incentive to the procurement processing
10 company which shall be paid in the form of a rebate of a portion of the state sales
11 and use taxes collected on new taxable sales by a purchasing company which is
12 managed by a procurement processing company.

13 C. Certification of sales. The secretary of the department shall determine the
14 amount of incentive rebates to be paid to a procurement processing company
15 pursuant to the contract. Rebate payments shall be based upon the amount of new
16 taxable sales which are certified by the secretary.

17 D. Payment of rebate. Notwithstanding any provision of law to the contrary,
18 the secretary of the department shall make the rebate authorized pursuant to the
19 provisions of this Section from the current collections of the taxes imposed by this
20 Title.

21 E. The Department of Revenue may promulgate rules and regulations in
22 accordance with the provisions of the Administrative Procedure Act as are necessary
23 to implement the provisions of this Section.

24 Section 2. This Act shall become effective on July 1, 2012; if vetoed by the governor
25 and subsequently approved by the legislature, this Act shall become effective on July 1,
26 2012, or on the day following such approval by the legislature, whichever is later.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Robideaux

HB No. 754

Abstract: Authorizes the secretary of DED to enter into state sales and use tax rebate contracts with procurement processing companies which recruit purchasing companies to La.

Proposed law authorizes the secretary of the Dept. of Economic Development (DED) to enter into a contract with a procurement processing company to recruit to La., purchasing companies that generate sales of items subject to the taxes imposed under present law. The contract shall provide an incentive to the procurement processing company which shall be paid in the form of a rebate of a portion of the state sales and use taxes collected on new taxable sales by a purchasing company which is managed by a procurement processing company. The initial term of a contract shall not exceed 20 years.

Proposed law defines a "procurement processing company" as a company engaged in managing the activities of unrelated purchasing companies. Further defines "new taxable sales" as sales of goods and services upon which tax is paid under present law and which occur in the state as a result of the operation in the state of a procurement processing company.

Proposed law requires the contract to be determined by the governor to be that which is in the best interest of the state.

Proposed law requires the secretary of the DED to determine the amount of incentive rebates to be paid to a procurement processing company pursuant to the contract. Further requires rebate payments to be based on the amount of new taxable sales which are certified by the secretary of DED.

Proposed law requires Dept. of Revenue (DOR) to pay the rebate from the current collections of the taxes imposed by present law.

Proposed law authorizes DOR to promulgate rules and regulations in accordance with the APA as are necessary to implement the provisions of proposed law.

Effective July 1, 2012.

(Adds R.S. 47:6301)